

# **Seattle Public Utilities New Water Rate Class – The Highlands in Shoreline**

**Presentation to the SPUN Committee**

**July 8, 2014**



# Background

## Shoreline Neighborhood Map:



## The Highlands:

- SPU residential development customer in Shoreline.
- Operates and maintains water infrastructure within development.
- Billed by SPU as single entity.
- Charges its own residents for water use.

# Background

- State Department of Revenue (DOR) audited The Highlands in 2013.
- Primary finding was that The Highlands must pay state Public Utility Tax (PUT) on its revenue to the state.
- DOR finding eliminates requirement of SPU to pay PUT on revenue received from The Highlands.
- Legislation adjusts SPU's rates for The Highlands to remove the effect of PUT.
- Revenue decrease is offset by tax decrease, leaving SPU whole.